

## **REMARKS/ARGUMENTS**

### Pending Claims

Claims 1-39 remain in the application. Claims 1, 2, 3, 11, 13, 18, 21, 23, 27, 31, 32, 33 and 38 are amended herein. All claims stand rejected under 35 U.S.C. 101 and . For the reasons set forth below, Applicant believes that the current grounds of rejection under 35 U.S.C. 103(a) should be reversed and this application should be allowed.

### The Examiner's Response to Arguments

At Items 2-4, the Examiner replies to Applicant's arguments filed on 18 May 2009, and states that they were not persuasive. The Examiner states that Applicant has argued the references separately rather than taken as a whole. Applicant respectfully disagrees that this is what Applicant has done. In order to evaluate an assertion of prima facie obviousness, an essential first step is to determine what each reference actually. Accordingly, each reference must be analyzed for what it teaches, and only thereafter can the obviousness of the purported combination be analyzed.

Rather than argue the merits of Applicant's prior Amendment, Applicant discussed below why the instantly amended claims distinguish over the cited references and should be found allowable.

### Claim Rejections- 35 U.S.C. §101

The Examiner rejects the claims as being allegedly directed to non-statutory subject matter. Applicant believes that as amended herein, the subject matter of the claims falls within the ambit of section 101.

Claim Rejections- 35 U.S.C. §103(a)

A. Rejection of Claims 1, 21, 22, 24, 33, 34 and 36 under 35 U.S.C. § 103(a) as being unpatentable over Yakal in view of Storace and Kara.

The Examiner rejects claims 1, 21, 22, 24, 33, 34 and 36 under 35 U.S.C. §103(a) as being unpatentable over Yakal, in view of Storace and Kara. For the reasons presented below, Applicant respectfully submits that the combination of these cited references do not render these claims unpatentable.

As per **claim 1**, the Examiner states the Yakal discloses the third party transferring a first portion of free postage value provided by the third party to a user's postage meter [pg. 1, para 2-4; Applicant's spec at pg. 2, lines 1-25 also identifies that third party use in a PC postage system is well known].

Applicant has studied Yakal and respectfully submits that rather than disclosing a "first portion of free postage value", it discloses that an undifferentiated full amount of free postage, e.g., \$50 worth, is provided to a new user of the service. "Your first \$50 worth of postage is free, as is your first month's membership fee (\$17.95 per month thereafter)." As a critical point of distinction, it is meaningless to describe Yakal as "transferring a first portion of free postage value provided by the third party to a user's postage meter" when there is no teaching or any suggestion of a second portion that is held back by the third party, because absent a second portion that is held back and retained in the third party controlled location, the third party vendor loses the entire amount of free postage value even if the user does not spend it during an introductory time period when a new user subscribes to internet postage service. As set forth in the specification, a problem with prior art systems is that the entire amount of the free postage value is transferred to the user, and even if the new user does not use the system, the entire amount of free postage is lost by the internet postage provider, without any benefit to the internet postage provider in gaining an enthusiastic new user who will come back and purchase additional postage value.

In the context of independent claim 1, there is nothing in Yakal that discloses that a "third party providing by a computer server free postage value in a first portion and a second portion

and the computer server transferring the first portion of said expiring free postage value provided by the third party to a user's postage meter where it is available for use by the user".

Based on the foregoing, Applicant respectfully submits that Yakal does not disclose the third party by a computer server transferring a first portion of free postage value provided by the third party to a user's postage meter. Applicant agrees with the Examiner that Yakal does not disclose storing a second portion of said expiring free postage value in a free postage account for the user at a third party server, and resetting a balance of said free postage account for the user in the third party server upon expiration of said free postage value after the time period has elapsed.

The Examiner continues that Storace teaches a known technique of transferring a first portion of postage value to a user's postage meter [col 4, line 64-col 5, line 5; col 8, lines 1-8] and storing a second portion of said postage value in a postage account [col 2, lines 19-25]. The Examiner notes that Storace does not explicitly disclose resetting a balance of said postage account for the user in the third party server upon expiration of said postage value after a time period has elapsed. However, Storace discloses replenishing a postage meter when necessary [col 2, lines 25-36; col 4, lines 35-37]. The identified sections of Storace are presented below.

At column 4, line 64- column 5, line 5, Storace states: "At any time during the operation of the system, the contents of the temporary memory 32 storing the appropriate credit, debit, balances, or other accumulations in accordance with the various features of the system could be made available by an appropriate instruction provided by the input means 36 or communicated to the meter which causes the CPU 28 to access the desired location temporary memory 32 storing the information requested. The information may also be provided through the CPU 28 into the output display unit 38."

At column 8, lines 1-8, Storace states: "The funds to cover the recrediting are transferred from the bank to the remote accounting center, block 520. The operating routine then returns at block 530 to enter the remote accounting center routine at block 440 illustrated at FIG. 5. The advantage of this arrangement is that the user's funds can be maintained in an interest bearing account instead of being tied-up in the account for directly funding the meter."

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**Amdt date December 16, 2009**  
**Reply to Office action of September 16, 2009**

Finally, at column 2, lines 19-25, Storace states: “An account corresponding to the postage meter is maintained at a remote accounting center or at a bank. Once communication to the remote accounting center is established, the account of the postage meter user is verified to assure that sufficient funds are available for transfer to the postage meter.” The funds at the accounting center or bank are funds of the user, and are clearly not “free postage value”.

From these quoted sections of Storace and a reading of Storace as a whole, while it is true that Storace teaches a known technique for transferring a first portion of postage value and storing a second portion of postage value in a postage account, Storace does not disclose “the third party providing by a computer server free postage value in a first portion and a second portion and transferring the first portion of said expiring free postage value provided by the third party to a user’s postage meter where it is available for use by the user” and “storing in the computer server the second portion of said expiring free postage value in a free postage account for the user at a third party computer server, which second portion of said expiring free postage value remains unavailable for use by the user unless and until part of or all of the second portion is transferred by the computer server to the user’s postage meter during a time period set by the third party”, as is required by claim 1.

More precisely, what Storace discloses is that the user’s own money from the user’s account at a bank or other accounting center is transferred to the user’s own postage meter. This is to obviate the need for a user to go visit the Post Office each time the user’s postage meter runs low on postage or is out of postage. In no case is postage, free or otherwise, transferred from a third party vendor to a user’s account.

Turning next to Kara, the Examiner states that it discloses replenishing a postage meter account upon expiration of the postage amount after a time period has elapsed [Col 1, lines 46-51]. This section of Kara reads: “Second, a postage meter must be adjusted, serviced and replenished manually; e.g., each day the date must be adjusted manually, periodically the stamp pad must be re-inked, and when the amount of postage programmed within the postage meter has expired, the postage in the meter must be replenished.” [Emphasis added]

The Examiner states that this known technique is applicable to the system of Storace as they both share the characteristics and capabilities, namely, the ability to transfer postage to a postage meter.

Applicant does not disagree that Kara and Storace are both relate to postage meter that can be recharged. However, in both cases, it the user's own postage value that is transferred from one account (e.g., the user's bank account) to the user's postage meter. Neither Kara nor Storace teaches the vital concept of "storing in the computer server the second portion of said expiring free postage value in a free postage account for the user at a third party computer server, which second portion of said expiring free postage value remains unavailable for use by the user unless and until part of or all of the second portion is transferred by the computer server to the user's postage meter during a time period set by the third party".

Contrary to what is stated by the Examiner, while applying the techniques of Storace to the teachings of Yakal might have yielded predictable results, such results would not result in the claimed system because a system based on the combination of the cited references would still lack the feature that the second portion of postage value is under control of the third party and will expire after a period of time if it is not first transferred to the user's postage meter, which is set forth in amended claim 1 as "after the time period set by the third party has elapsed, indicating to the computer server that the untransferred balance of said second portion of said expiring free postage value held for the user in the third party computer server is no longer useable."

Following the inventor's system recited in claim 1 and the other claims herein, a first portion of free postage value is transferred from the third party, e.g., a PC postage provider, to a user's postage meter. This first portion of the free postage value can be as small as the postage for one letter or the remaining one penny of unused free postage value, or can be a larger amount, such as \$5.00. A second portion remains on the third party system. Again, the purpose of the transfer is to retain all but the transferred amount of free postage value under the control of the third party PC postage provider so that if the user does not use up the amount of free postage within a certain period of time, it will expire. With the recited invention, the user can see that he

or she has a certain amount of free postage available, even if some of it (the second portion) may actually be residing with the third party PC postage provider, that may be available for use before it expires. The claimed invention elegantly solves the problem that once postage value is transferred to the user's postage meter, it cannot be reclaimed, even if the user does not use it up within a reasonable period of time.

Turning to the rejection of **claim 2**, the Examiner states that Yakal does not further disclose comprising the step of establishing minimum thresholds for said postage meter and transferring a block of postage value from said free postage account to said postage meter when balance of said postage meter is less than or equal to said threshold. The Examiner notes that Storace further discloses further comprises the step of establishing minimum threshold for said postage meter and transferring a block of postage value from said free postage account to said postage meter when balance of said postage meter is less than or equal to said threshold [col 2, lines 15-31]. According to Examiner, it would have been obvious to include in the PC postage system of Yakal the ability to transfer balances according to a threshold as taught by Storace since the claimed invention is merely a combination of old elements, and in the combination each element merely would have recognized that the results of the combination were predictable.

Applicant has considered the Examiner's position, and respectfully points out that since the limitations of claim 1 are not met by the combination of cited reference, claim 2 should be allowed.

As per **claims 3, 22, 24, 34 and 36**, the Examiner states that Yakal does not further disclose comprising the step of decrementing said postage account in accordance with said transferred postage value but that Storace further discloses further comprising the step of decrementing said postage account in accordance with said transferred postage value (col 11, lines 21-23). The Examiner states it would have been obvious to combine the references. With respect to claim 3, since it depends on allowable 1, its should be allowed. Independent claim 21, upon which claims 22 and 24 dependent, and independent claim 33, upon which claims 34 and 36 dependent, claim the invention in a similar manner as claim 1, and for the same reasons

discussed above, should be found allowable. Accordingly, claims 22, 24, 34 and 36 should be found allowable.

Turning to the rejection of **claim 9**, the Examiner states that Yakal does not further disclose comprising notifying user upon expiration of said free postage value, but that Storace does not explicitly disclose notifying a user upon expiration of said free postage value [col 6, lines 19-26.] The Examiner states it would have been obvious to combine the references. However, as claim 9 depends on allowable claim 1, claim 9 should be allowed.

Turning to **claim 10**, the Examiner states that Yakal does not further disclose comprising the step of storing purchased postage value and balance of the postage meter in a descending register, but that Storace further disclose further comprising the step of storing purchased postage value and balance of the postage meter in a descending register (col 4, lines 35-42). The Examiner states it would have been obvious to combine the references. Applicant respectfully firstly submits that as claim 10 depends on allowable claim 1, claim 10 should be allowed. As an additional point, Applicant further submits that Storace does not in fact disclose this limitation. What Storace does disclose is "information stored in the temporary memory 32, which represents crucial accounting functions such as descending balances in a descending register or ascending credits in an ascending register, and the like, are stored in the non-volatile memory 34, wherein they may be held while the machine is de-energized and then recalled upon the subsequent start-up." Indeed, a total balance only is recorded, whereas in the recited system of claim 10, both the purchased postage value and free postage value are stored. As noted above, the free postage is used first and will expire after 30 days, therefore, there is a need to maintain both of these values. Again, the Storace reference discloses nothing of the kind. Therefore, claim 10 should be found allowable.

With respect to **claim 11** of the final rejection, the Examiner states that Yakal does not further disclose comprising the step of decrementing said available postage field in accordance with a print transaction, but that Storace further discloses further comprising the step of decrementing said available postage field in accordance with a print transaction [col 6, lines 31-

34]. The Examiner states it would have been obvious to combine the references. Since claim 11 depends on allowable claims 10 and 1, it too should be allowed.

With respect to claims **12 and 13** of the final rejection, the Examiner states that Yakal does not further disclose comprising the steps of determining whether postage meter balance is equal to or greater than a predetermined threshold and transferring a block of free postage value from said free postage account to said postage meter in accordance with said threshold determination. However, the Examiner states that Storace further discloses comprising the steps of determining whether postage meter balance is equal to or greater than a predetermined threshold and transferring a block of free postage value from said free postage account to said postage meter in accordance with said threshold determination [col 2, lines 15-31]. The Examiner states it would have been obvious to combine the references. However, as claims 12 and 13 are dependent upon allowable claim 1, they too should be allowed.

Turning to the rejection of independent **claims 21 and 33** of the final rejection, the Examiner rejects these claims on the following grounds.

The Examiner states that Yakal discloses transferring a portion of said free postage value from a free postage account to a user's postage meter [pg. 1, para. 2-4], but that Yakal does not disclose storing said postage value in a postage account for the user at a third party server; and transferring by the computer server a portion of said postage value from postage account to a user's postage meter in accordance with a print postage request. However, Storace discloses storing said postage value in a postage account [col 2, lines 20-23]; and transferring a portion of said postage value from a postage account to a postage meter in accordance with a print postage request [col 5, line 34-col 6, line36]. The Examiner further notes that Storace does not explicitly disclose resetting a balance of said postage account upon expiration of said postage value after a time period, but that Storace discloses replenishing a postage meter when necessary [col 2, lines 25-36; col 4, lines 35-37]. Furthermore, the Examiner notes that Kara discloses replenishing a postage meter account upon expiration of postage amount after a time period [col 1, lines 46-51]. According to the Examiner, this known technique is applicable to the system of Storace as they both share the characteristics and capabilities, namely, the ability to transfer postage to a postage



meter, and that one of ordinary skill in the art would have recognized that applying the known technique of Storace would have yielded predictable results and resulted in an improved system. The Examiner continues that it would have been recognized that applying the technique of Storace to the teachings of Yakal would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate such transfer and storage features into similar systems. Further, applying a controlled way of distributing postage to Yakal would have been recognized by this of ordinary skill in the art resulting in an improved system that would encourage use of the PC postage system.

Applicant has carefully considered the rejection of independent claims 21 and 33, and respectfully submits as they are amended herein they clearly distinguish over the cited combination of Yakal, Storace and Kara.

As was noted above with reference to claim 1, rather than disclosing a “first portion of free postage value”, Yakal actually discloses that an undifferentiated full amount of free postage, e.g., \$50 worth, is provided to a new user of the service. “Your first \$50 worth of postage is free, as is your first month’s membership fee (\$17.95 per month thereafter).” To describe Yakal as “transferring a first portion of free postage value provided by the third party to a user’s postage meter” when there is no teaching or any suggestion of a second portion that is held back by the third party is meaningless because absent a second portion that is held back and retained in the third party controlled location, the third party vendor loses the entire amount of free postage value even if the user does not spend it during an introductory time period when a new user subscribes to internet postage service.

Turning next to Storace, while it is true that Storace discloses storing said postage value in a postage account [col. 2, lines 20-23]; and transferring a portion of postage value from a postage account to a postage meter in accordance with a print postage request [col 5, lines 34-col 6, line 36], Storace does not disclose “storing untransferred expiring free postage value provided by the third party in a free postage account for the user at a third party computer server wherein the untransferred expiring free postage value remains unavailable and subject to expiration if not transferred by the computer server to the user within a time period set by the third party”, and

“transferring by the computer server a portion of said expiring free postage value from said free postage account to a user’s postage meter in accordance with a print postage request made before expiration of the time period”, as is required in claim 21. Nor does Storage disclose “storing untransferred expiring free postage value provided by the third party in a free postage account for the user at a third party server wherein the untransferred expiring free postage value remains unavailable and subject to expiration if not transferred to the user within a time period set by the third party”, and “transferring a portion of said expiring free postage value from said free postage account to a user’s postage meter in accordance with a print postage request made before expiration of the time period”, as is required in claim 33. Rather, Storage discloses that it is the user’s own money from the user’s account at a bank or other accounting center is transferred to the user’s own postage meter. This eliminates the need for a user to go visit the Post Office each time the user’s postage meter runs low on postage or is out of postage. By no stretch of the imagination is postage value transferred from a third party vendor account and control to a user’s account.

Turning next to Kara, the Examiner states that Kara discloses replenishing a postage meter account upon expiration of a postage amount after a time period [col 1, lines 46-51]. Applicant has previously discussed Kara. This section of Kara reads: “Second, a postage meter must be adjusted, serviced and replenished manually; e.g., each day the date must be adjusted manually, periodically the stamp pad must be re-inked, and when the amount of postage programmed within the postage meter has expired, the postage in the meter must be replenished.” [Emphasis added] As Applicant has argued before, this teaching in Kara of expiring postage has nothing to do with free postage that will expire if unused in a predetermined time period set by the internet postage vendor, but is a function of usage of the postage in the user’s own meter.

The Examiner states that this known technique is applicable to the system of Storage as they both share the characteristics and capabilities, namely, the ability to transfer postage to a postage meter.

Applicant does not disagree that Kara and Storace are both relate to postage meter that can be recharged. However, in both cases, it the user's own postage value that is transferred from one account (e.g., the user's bank account) to the user's postage meter. Neither Kara nor Storace teaches the vital concept of "storing the second portion of said expiring free postage value in a free postage account for the user at a third party server, which second portion of said expiring free postage value remains unavailable for use by the user unless and until part of or all of the second portion is transferred to the user's postage meter during a time period set by the third party". Furthermore, none of Kara, Storace or Yakal alone or in combination teach "means for resetting to zero an untransferred balance of said free postage account for the user in the third party server upon expiration of said free postage value after the time period has elapsed", as required by claim 21, or "resetting an untransferred balance of said free postage account for the user in the third party server after the time period has elapsed", as required by claim 33. These last steps complete the process of zeroing out any free postage that is unused by the new user, and thus preserve this to the internet postage vendor.

Accordingly, Applicant respectfully submits that claims 21 and 33 should be found patentable.

B. Rejection of Claims 4, 5 and 25 under 35 U.S.C. § 103(a) as being unpatentable over Yakal in view of Storace and Kara and further in view of Eddy et al.

The Examiner next rejects **claims 4, 5 and 25** under 35 U.S.C. §103(a) as being unpatentable over Storace in view of Kara and Yakal, and further in view of Eddy et al. [US 5,812,400]. With respect to **claim 4**, the Examiner acknowledges that Yakal does not explicitly disclose further comprising the step of storing purchased postage value in an available postage account, but that Yakal discloses that the first amount of postage is free and that the user can also purchase postage in a PC account. [pg. 1, para 4]. Thus, the Examiner finds that there is free postage and purchased postage available. The Examiner states that Eddy et al. disclose a postage meter containing two postage accounts and using the postage meter accounts based on prioritization [column 5, lines 14-22]. Based on this, the Examiner states that it would have been

obvious to modify the invention of Storace to include the step of utilizing said expiring free postage value before said purchased postage value to facilitate distinguishing between account usages.

As per claims **5 and 25**, the Examiner states that Yakal does not explicitly disclose further comprising the step of utilizing said expiring free postage value before said purchased postage value, but that Yakal discloses that the first amount of postage is free and that the user can also purchase postage in a PC account [pg. 1, para 4]. Thus, according to the Examiner, there is free postage and purchased postage available. Furthermore, Eddy et al discloses a postage meter containing two postage accounts and using the postage in the accounts based on prioritization [col 5, lines 14-22]. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the invention of Storace to include the step of utilizing said expiring free postage value before said purchased postage value so that the user is confident that he/she would like to continue to use the service (i.e., trial period).

Applicant has already discussed above why the combination of Storace in view of Kara and Yakal fail to disclose the invention recited in claims 1 and 21 upon which claims 4 and 5, and 25, respectively, depend. Therefore, even if Eddy et al. discloses a metering system that employs multi secure accounting systems, an internal accounting system and an external accounting system, and a prioritization arrangement to determine which accounting system should be used for debiting and crediting activity, its combination with Storace in view of Kara and Yakal still fail to teach the invention of claims 4, 5, and 25.

C. Rejection of Claims 6-8, 23 and 35 under 35 U.S.C. § 103(a) as being unpatentable over Storace in view of Kara and Yakal and further in view of Official Notice

In the final rejection the Examiner next rejects **claims 6-8, 23, and 35** under Storace in view of Kara and Yakal, and further in view of Official Notice. The Examiner states that Storace does not disclose the step of displaying a sum of total expiring postage value and purchasing postage value in an available postage field, but the Examiner takes Official Notice that it was old and well-known at the time of the invention in the postal industry to display the sum of the total

postage in a postage meter. Based on this, the Examiner finds that the invention would be obvious to modify the invention of Thiel (sic) to include the step of displaying the sum of total expiring free postage value and purchased postage value in an available postage field so that the user knows when the account needs to be replenished. However, since claims 6 and 8, 23, and 35 are dependent on allowable independent claims, these claims should be found allowed as well.

D. Rejection of Claims 6-8, 23 and 35 under 35 U.S.C. § 103(a) as being unpatentable over Yakal in view of Storace and Kara and further in view of Official Notice

Turning to Item 10 of the Office action, the Examiner rejects claims 6-8, 23 and 35 as being unpatentable over Yakal in view of Storace and Kara and further in view of Official Notice.

Applicant respectfully submits that because the subject matter of claim 1, upon which claim 6-8 depend, claim 21, upon which claim 23 depends, and claim 33, upon which claim 35 depends should be allowed, then too claims 6-8, 23 and 35 should be allowed as well.

E. Rejection of Claims 14-20, 26-32 and 37 under 35 U.S.C. § 103(a) as being unpatentable over Yakal in view of Storace and Kara and further in view of Leon

Turning to Item 11 of the Office action, the Examiner rejects claims 14-20, 26-32 and 37 as being unpatentable over Yakal in view of Storace and further in view of US Patent No. 7,085,725 to Leon.

As per claims 14, 26 and 37, the Examiner states that Yakal does not disclose the steps of determining the validity of the expiring free postage value in response to receipt of a print postage request and wherein the free postage account is reset in accordance with said validity determination. The Examiner states that Leon discloses determining validity of a postage value in response to free postage print request and the account owner is given another amount of free postage [column 14, line 36 to column 16, line 50]. The Examiner, therefore, finds that it would be obvious to modify the invention of Storace to include the methods disclosed by Leon so that the postage provider does not lose revenue.

Applicant has carefully reviewed Leon and respectfully submits that it does not teach what it is cited for. Leon teaches a blank sheet of labels that may be printed with internet postage. Some of the sheets may be provided free of charge to users and may be so identified so that the system can query the user if the user wishes to purchase additional sheets of blank labels. The system also helps to keep track of the number of sheets of blank labels a user has on hand and reminds the user if the supply is running low. This is the only disclosure in Leon about anything free, and Leon certainly does not disclose free postage value. Leon makes absolutely no disclosure whatsoever of free postage, but instead is directed to free sheets of blank labels. Accordingly, nothing in Yakal in view of Storace and Kara and further in view of Leon would lead one of ordinary skill in the art to find the recited invention patentable. Therefore, claims 14, 26 and 37 should be allowed.

Turning to the rejection of claims 15 and 27, the Examiner states that Yakal does not disclose the step of determining whether the balance of said free postage value is equal to or greater than a value of requested postage and transferring a block of free postage value from the free postage account to the postage meter in accordance with the amount determination, but that Storace does disclose that when a meter reaches a threshold value, the postage meter is re-credited from the postage account. From this, the Examiner states that it was obvious to modify the invention of Yakal to include the step of determining whether a balance of said free postage value is equal to or greater than a value of requested postage and transferring a block of free postage value from the free postage account to the postage meter in accordance with the amount determination to provide a recharging system that is transparent to its postage meter user, as suggested by Storace.

As per claims 16 and 28, 17 and 29, and claims 18-20, and 30-32, since these claim depend on what are believed to be allowable base claims 1 and 21, claims 16 and 28, 17 and 29, 18-20 and 30-32 should be allowed as well.

F. Rejection of Claim 38 under 35 U.S.C. § 103(a) as being unpatentable over Leon in view of Fredman

Turning to Item 12 of the Office action, the Examiner rejects claim 38 as being unpatentable over Leon [US 2002/0059145] in view of Fredman [US 6,526,393].

Applicant states that Leon discloses receiving a request to print postage and check for postage value availability, but does not disclose further generating an account to track free postage value separate from purchased postage value, checking for expiration of free postage value and setting a balance to the account to zero if the free postage value has expired, but the Fredman reference discloses generating an account that monitors free postage value and purchased value (plumber sets an account that is paid, i.e., free to user, but the value is returned if user does not utilize the postage by an expiration date, i.e., postage purchased by user). The Examiner states that, furthermore, it is inherent that the postage is checked for expiration since the plumber is refunded postage for items that are not mailed by a certain date. The Examiner finds that it would have been obvious to one having ordinary skill in the art at the time of the invention to modify the invention of Leon to prove the method disclosed by Fredman to improve response times, lower prices and improve customer's experience, as suggested by Fredman.

Applicant has carefully reviewed the Fredman reference, and respectfully submits that it does not teach or suggest the invention. The Fredman reference is a time controlled pre-paid delivery label that expires. However, unlike the present invention, this is a label that is printed that has expiring pre-postage which will expire beyond a certain time period to encourage users to respond by a certain date, otherwise, they lose the free postage advantage. Again, Fredman discloses an actual postage label that has been printed in advance and sent to the user. Fredman has nothing at all to do with "generating by a computer server an account to track free postage value separate from purchased postage value, which account is maintained by a third party in the computer server" and "after a time period set by the third party has elapsed, indicating to the computer server that the untransferred balance of said second portion of said expiring free postage value held for the user in the third party computer server is no longer useable." Even if Fredman were to be combined with Leon, it would lack the claimed features, and approval of claim 38 is solicited.

G. Rejection of Claim 39 under 35 U.S.C. § 103(a) as being unpatentable over Leon in view of Yakal and further in view of Eddy et al.

Lastly, in Item 13 of the Office action, the Examiner rejects claim 39 under 35 U.S.C. § 103(a) as being unpatentable over Leon in view of Yakal and further in view of Eddy et al. The Examiner states that Leon does not disclose applying available free postage value to request to print postage if free postage value is available and applying purchased postage to the requested postage if free postage value is not available, but that Yakal discloses that the first amount of postage is free and that the user can purchase postage in a PC account. Thus, the Examiner finds that there is free postage and purchased postage available. The Examiner states that Eddy et al. further disclose a postage meter containing two postage accounts of using the postage, the account based on prioritization and, therefore, it is obvious to one of ordinary skill in the art to modify the invention of Storace to include the step of utilizing said expiring free postage value before said purchased postage value so that the user is confident that he/she would likely to continue to use the service, i.e., during a trial period.

Turning to the Eddy et al. reference, while it does disclose an electronic postage meter with an internal accounting system and a removal external accounting system, there is nothing in its teaching which would suggest this combination with Leon and Yakal. And even if Eddy et al. were to be combined with Leon and Yakal, it does still not lead one having ordinary skill in the art to the claimed invention since nothing in any of these references teaches or suggests free postage that will expire after a certain period of time, if not first transferred to a user's postage meter first.. Accordingly, Applicant respectfully submits that claim 39 should be allowed.

**CONCLUSION**

In view of the foregoing, it is believed that all claims now pending, namely claims 1-39, patentably distinguish the subject invention over the prior art of record, and are in condition for allowance. Given that this case is under final rejection, Applicant would appreciate having a



**AppIn No. 09/944,534**


**Amdt date December 16, 2009**

**Reply to Office action of September 16, 2009**

telephone conference with the Examiner with the intention towards moving this application forward to allowance.

Respectfully submitted,

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